
Balsz Elementary School District No. 31

Annual Comprehensive Financial Report

for the Fiscal Year Ended June 30, 2024



Balsz Elementary School District No. 31

Phoenix, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024**

Issued by:
Business and Finance Department

Balsz Elementary School District No. 31

Table of Contents

<u>Introductory Section</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	7
GFOA Certificate of Achievement	8
Organizational Chart	9
List of Principal Officials	10
<u>Financial Section</u>	
Independent Auditor's Report	13
Management's Discussion and Analysis (MD&A)	19
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet –	
Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds to the Statement of Activities	42
Notes to Financial Statements	43
Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	69
Classroom Site	70
Federal and State Grants	71
Pension Schedules	72
Notes to Required Supplementary Information	74
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
All Non-Major Governmental Funds	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Instructional Improvement	84
Food Service	85
Other Special Revenue Funds	86
Debt Service	87
Adjacent Ways	88
Bond Building	89
Other Capital Projects	90

Balsz Elementary School District No. 31

Table of Contents

<u>Statistical Section</u>	<u>Page</u>
Financial Trends:	
Net Position by Component	93
Expenses, Program Revenues, and Net (Expense)/Revenue	94
General Revenues and Total Changes in Net Position	96
Fund Balances – Governmental Funds	98
Governmental Funds Revenues	100
Governmental Funds Expenditures and Debt Service Ratio	102
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	104
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	105
Net Full Cash Assessed Value of Taxable Property by Class	106
Property Tax Assessment Ratios	107
Direct and Overlapping Property Tax Rates	108
Principal Property Taxpayers	109
Property Tax Levies and Collections	110
Debt Capacity:	
Outstanding Debt by Type	111
Direct and Overlapping Governmental Activities Debt	112
Direct and Overlapping General Bonded Debt Ratios	112
Legal Debt Margin Information	113
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	114
Principal Employers	115
Operating Information:	
Full-Time Equivalent District Employees by Type	116
Operating Statistics	118
Capital Assets Information	119

(This page intentionally left blank)

Introductory Section

(This page intentionally left blank)



March 25, 2025

Citizens and Governing Board
Balsz Elementary School District No. 31
4825 East Roosevelt Street
Phoenix, Arizona 85008

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Balsz Elementary School District No. 31 (District) for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District, founded in 1890, is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade eight, with an estimated current enrollment of 2,222 students. Projected enrollment for fiscal year 2024-25 is approximately 2,144.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

The Balsz Elementary School District No. 31 has three K-5 schools (Crockett, Griffith, and Brunson-Lee), one sixth through eighth school (Tillman Middle School), and one early learning preschool for special education students (Orangedale Early Learning Center). In addition, the Governing Board, after two public hearings, established an online school (Balsz Online Academy). The academy became operational for the 2021-22 school year. The community surrounding the District is characterized by low income and government-subsidized housing, and is located in an identified high crime area in the City of Phoenix. The student population is ethnically diverse and tends to be highly mobile. All of the students served in the District qualify for the Free lunch under the Community Eligibility Program through the National School Lunch Program. Students in the District attend high school in the Phoenix Union High School District, typically at Camelback High School.

Major Initiatives

The motto of the Balsz Elementary School District No. 31 is “Children First”. To achieve this goal, the District provides a full range of educational services; regular education, special education, English as a second language, and gifted education. The District’s curriculum is aligned with the Arizona Department of Education’s Standards and Performance objectives documents and meets or exceeds all of the requirements set by State law. The student assessment program aligns with the State standards. Each school has developed a consolidated plan for raising student achievement. The Balsz Elementary School District No. 31 is committed to providing quality programs for all of its students.

Programs

- At-Risk Preschool/Head Start
- National Board Certified Teachers
- USDA Healthier Schools Fresh Fruits and Vegetables Program
- Full-Day Kindergarten
- Title I Consolidated Plans
- After School Extracurricular Activities
- Cultural Clubs
- Peer Mediation
- National Junior Honor Society
- Student Council
- City of Phoenix Parks and Recreation
- Mindfulness First
- Positive Behavior Intervention and Support (PBIS)

Major Partnerships

- ON Semi-Conductor
- Desert Financial Credit Union
- Arizona State University
- Grand Canyon University
- Balsz Community Education Foundation
- Orangedale and Linden Park Neighborhood Association
- Assistance league
- Jobs for Arizona Graduates (JAG)

- Creighton Community Foundation
- Playworks
- Maricopa County Educational Service Agency
- Experience Matters
- Valley of the Sun United Way
- Gateway Community College
- University of Phoenix
- Discovery Triangle
- United Health Care
- Educare
- The Tooth Doctor
- KOI Education
- Northern Arizona University (NAU)

The District’s annual expenditure budget is the cornerstone of its financial planning and control efforts. The objective of these budgetary controls is to ensure compliance with legal requirements as outlined in the annual expenditure budget approved by the Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, with function and object code details for the General, Special Revenue, Debt Service, and Capital Projects Funds. The legal level of budgetary control (where spending cannot exceed the appropriated amount) established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds. The budgets for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District does not prepare an annual revenue budget, so deficit budgeted fund balances may appear, but this does not impact its ability to spend money.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The District is located in the Phoenix-Mesa-Scottsdale, Arizona Metropolitan Statistical Area, also known as “Phoenix MSA”, as defined by the United States Office of Management and Budget. The Phoenix MSA is 14,566 square miles in size, and it is the eleventh most populous metropolitan area in the nation. Postal zip code 85008, where Balsz School District is located, has a current population of 32,085 with a population density of 5,364 people per square mile. There are 16 different elementary and high schools with mailing addresses in zip code 85008.

The Phoenix MSA has become one of the fastest growing regional markets in the United States, with an estimated population of 6 million by 2028. This growth has been stimulated by a combination of warm climate, a substantial well-educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment.

Prior to the COVID-19 pandemic, unemployment rate in the Phoenix MSA was 3.9% vs. 4.4% for the state of Arizona. The current unemployment rate of zip code 85008 is 6.6% which is higher than the Maricopa County rate of 3.3%. Retail, restaurants and service sectors are experiencing a larger share of the unemployment rate.

A few of the major firms represented in the Phoenix metropolitan area include Wal-Mart Stores, Inc., State of Arizona, City of Phoenix, Maricopa County, Banner Health Systems, Arizona State University and Wells Fargo Company. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university. Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,224 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. The County's 2023 population is estimated at 4.6 million. Maricopa County has a very wide range of economic sectors supporting its substantial growth.

Service is the largest employment sector in the County, partially fueled by the \$28.1 billion per year tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people. Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

Long-Term Financial Planning. The Balsz Elementary School District No. 31 encompasses approximately 6 square miles in the east central portion of Phoenix. The District is located along two designated improvement zones - one running east and west along Van Buren Street and one running north and south along 44th Street.

The average age of the five schools is approximately 48 years. With the exception of Brunson-Lee Elementary, built in 2003, the District remodeled all of its schools in 1996-97. The District effectively maintains its facilities and comprehensively reviews them at least once each year. In November 2018, voters overwhelmingly approved a \$35 million bond. The first sale of \$24.5 million of bonds closed in February 2019. These funds were used to rebuild Tillman Middle School, purchased technology upgrades, school buses, furniture, and miscellaneous remodeling projects. The remaining \$10.5 million of authorization will sell in 2023. Remaining bonds will be used to complete the energy management program and to address various campus improvements throughout the District.

Administration believes in having a sound financial operating reserves and conservatively managing its resources. In light of the current economic conditions, financial policies are regularly reviewed and refined to ensure that the District's financial stress-level continues to be low and to maximize returns on expenditures for wise outcomes. Frugal spending, and watching "every dollar" have led to efficiencies which will in turn be channeled into the classrooms. While the District faces new challenges each year, the Administration will continue to deploy best financial practices for the prudent management of the District.

Awards and Acknowledgments

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 29th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements, and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2024 certificates.

Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Dr. George J. Barnes
Superintendent



Aracely Soto
Director of Finance



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Balsz Elementary School District No. 31

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
SFO
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE,
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Balsz Elementary School District No. 31
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Balsz Elementary School District No. 31

2024 Organizational Chart

approved 12/12/2023

Governing Board

Superintendent

Executive Assistant to Superintendent and Governing Board

Chief Academic Officer			Director of Finance	Director of Technology	Director of Maintenance + Transportation	Chief Human Capital Officer
Director of Student Services	School Principals	Director of Curriculum				Director of Human Resources
<i>Dean</i>			<i>PD Mentor (Grant Funded)</i>			
<i>Academic Dean</i>	<i>Assistant Principal</i>	<i>AZELLA</i>	<i>Finance Manager</i>	<i>Network Engineer</i>	<i>Admin. Assistant</i>	<i>Human Resource Generalist</i>
<i>SpEd Teachers</i>	<i>Academic Dean K-5 (1); 6-8 (2)</i>	<i>ELD Specialist</i>	<i>Buyer / Payroll</i>	<i>Systems Admin</i>	<i>HVAC Specialist</i>	<i>Recruiter</i>
<i>Preschool Programs</i>	<i>Teachers</i>	<i>Data Analyst</i>	<i>Receptionist / Accounts Payable</i>	<i>Student Data Specialist</i>	<i>Transportation Manager</i>	
<i>Intervener(s)</i>	<i>Specials Teachers</i>		<i>Grants Manager</i>	<i>Tech Support (4)</i>	<i>Drivers</i>	
<i>Gifted Teachers</i>	<i>Literacy Specialist (Cr + Gr)</i>		<i>Grants Specialist</i>	<i>Tech Mentor</i>	<i>Monitors</i>	
<i>Occupational Therapist(s)</i>	<i>Reading Interventionist</i>			<i>BOA TOSA</i>	<i>Landscape / Groundskeeper</i>	
<i>Physical Therapist(s)</i>	<i>Math Interventionist</i>					
<i>Speech Therapist(s)</i>	<i>Admin Assistant</i>					
<i>Social Worker(s)</i>	<i>Office Assistant K-5 (1); 6-8 (2)</i>					
<i>School Psychologist(s)</i>	<i>Para Pro</i>					
<i>School Nurse(s)</i>	<i>Plant Manager</i>					
<i>Medicaid Manager</i>	<i>Day Custodian K-5 (1); 6-8 (2)</i>					
<i>Interpreter</i>	<i>Night Custodian K-5 (2); 6-8 (3)</i>					
<i>Parent & Community Specialist / McKinney-</i>	<i>Crossing Guard</i>					
<i>Page 9</i>	<i>Campus Monitor</i>					



Balsz Elementary School District No. 31

List of Principal Officials

Governing Board

Todd Schwarz
President

Muktar Sheikh
Member

Muktar Sheikh
Vice President

Vic Grace
Member

Gail Q. Knight
Member

Administrative Staff

Dr. George J. Barnes
Superintendent

Aracely Soto
Director of Finance

Kathleen Owen-Jones
Director of Student Services

Michael Halpert
Chief Academic Officer

Dr. Nan Williams
Director of Technology

Jason Shepherd
Director of Maintenance, Transportation and Construction

Financial Section

(This page intentionally left blank)

Independent Auditor's Report

Governing Board
Balsz Elementary School District No. 31

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Balsz Elementary School District No. 31 (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Balsz Elementary School District No. 31, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Balsz Elementary School District No. 31 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and a fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of Balsz Elementary School District No. 31's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Balsz Elementary School District No. 31's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Balsz Elementary School District No. 31's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
March 25, 2025

(This page intentionally left blank)

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

(This page intentionally left blank)

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

As management of the Balsz Elementary School District No. 31 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$1.9 million which represents a four percent increase from the prior fiscal year as a result of increased revenues received for building renewal grant projects and an increase in unrestricted state aid revenues.
- General revenues accounted for \$27.4 million in revenue, or 61 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$17.2 million or 39 percent of total current fiscal year revenues.
- The District had approximately \$42.7 million in expenses related to governmental activities, an increase of three percent from the prior fiscal year primarily due to repairs and maintenance of school sites.
- Among major funds, the General Fund had \$22.7 million of current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$24.1 million in expenditures. The General Fund's fund balance decrease from \$9.8 million at the prior fiscal year end to \$9.2 million at the end of the current fiscal year was primarily due to increased expenditures for support services students and staff for additional positions and speech language pathologist services.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are reported as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Classroom Site, Federal and State Grants, Debt Service, Bond Building, and Other Capital Projects Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Funds as required supplementary information. Schedules for the pension benefit plan have been provided as required supplementary information.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$45.7 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

Balsz Elementary School District No. 31
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

The following table presents a summary of the District’s net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023, as restated
Current and other assets	\$ 30,516,394	\$ 37,009,903
Capital assets, net	77,739,224	69,328,416
Total assets	<u>108,255,618</u>	<u>106,338,319</u>
Deferred outflows	<u>3,935,683</u>	<u>3,685,121</u>
Current and other liabilities	3,685,885	5,167,304
Long-term liabilities	57,102,249	55,413,534
Total liabilities	<u>60,788,134</u>	<u>60,580,838</u>
Deferred inflows	<u>5,665,886</u>	<u>5,612,948</u>
Net position:		
Net investment in capital assets	46,969,075	43,562,741
Restricted	7,988,366	5,806,495
Unrestricted	(9,220,160)	(5,539,582)
Total net position	<u>\$ 45,737,281</u>	<u>\$ 43,829,654</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position while unrestricted net position reported a deficit of \$9.2 million. The deficit is due to the District’s proportionate share of the state pension plan’s unfunded liability. The same situation held true for the prior fiscal year.

The District’s financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The principal retirement of \$1.7 million of bonds.
- The increase of \$1.6 million in pension liabilities.
- Accumulated depreciation increased \$4.2 million.
- The addition of \$12.6 million in capital assets through various school improvements and purchases of vehicles, furniture and equipment.

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

Changes in net position. The District's total revenues for the current fiscal year were \$44.6 million. The total cost of all programs and services was \$42.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

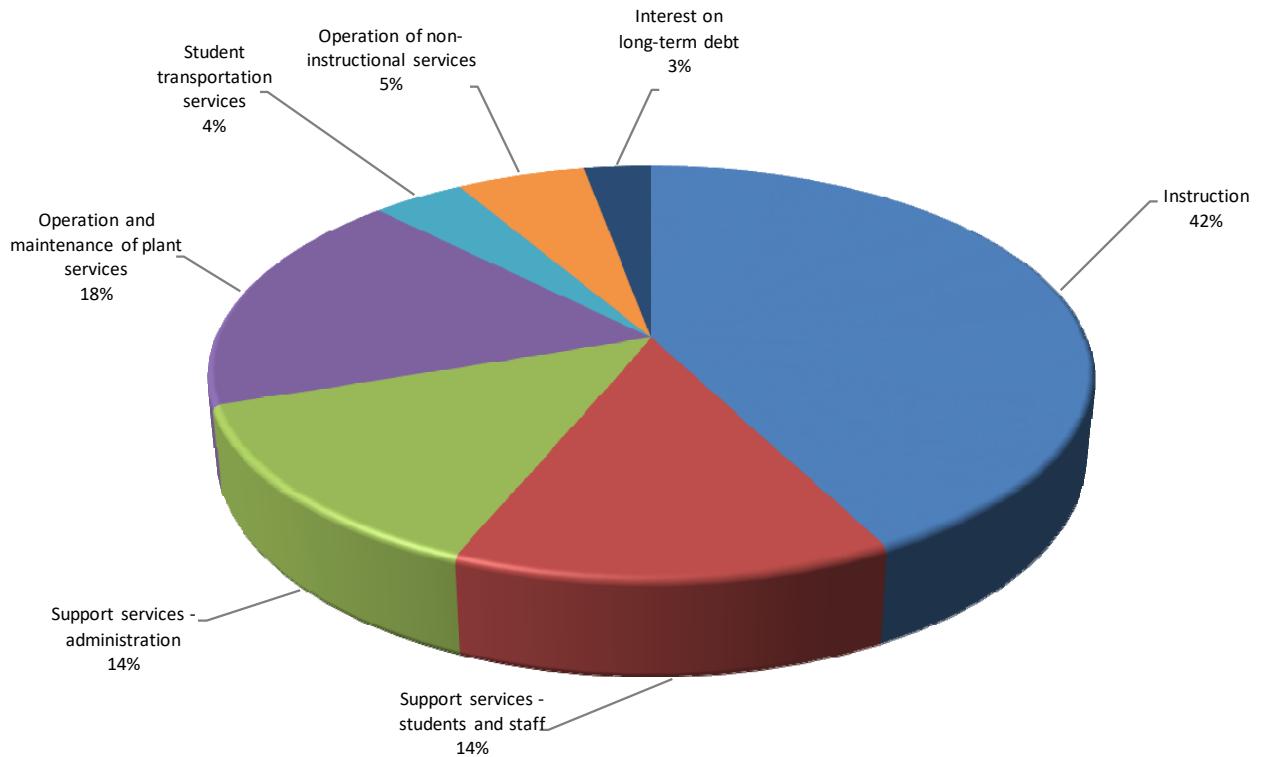
	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023, as restated
Revenues:		
Program revenues:		
Charges for services	\$ 802,796	\$ 288,899
Operating grants and contributions	10,915,355	16,701,873
Capital grants and contributions	5,514,017	3,061,935
General revenues:		
Property taxes	13,311,459	12,979,380
Investment income	714,581	434,771
Unrestricted state aid	12,956,198	11,498,153
Unrestricted federal aid	389,404	248,186
Total revenues	44,603,810	45,213,197
Expenses:		
Instruction	18,110,696	18,022,115
Support services - students and staff	5,887,387	5,656,442
Support services - administration	5,819,196	5,114,606
Operation and maintenance of plant services	7,574,946	7,659,273
Student transportation services	1,696,889	1,629,303
Operation of non-instructional services	2,387,052	2,233,806
Interest on long-term debt	1,220,017	1,141,511
Total expenses	42,696,183	41,457,056
Changes in net position	1,907,627	3,756,141
Net position, beginning, as restated	43,829,654	40,073,513
Net position, ending	\$ 45,737,281	\$ 43,829,654

The amount reported for instruction expenses for the fiscal year ended June 30, 2023, has been restated due to the correction of an error. There was a reclassification of expenses. The ending net position was also adjusted as reported on the prior page related to this correction. Additional information can be found in Note 14.

**Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis

Expenses - Fiscal Year 2024



The following are significant current year transactions that have had an impact on the change in net position.

- The decrease in operating grants and contributions of \$5.8 million due to the closing out of federal relief funding in response to the COVID-19 pandemic.
- The increase in capital grants and contributions of \$2.5 million as a result of increased revenues received for building renewal grant projects.
- The increase in unrestricted state aid of \$1.5 million as a result of an increase in base support level amount.

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

**Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis

	Year Ended June 30, 2024		Year Ended June 30, 2023	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses, as restated	Net (Expense)/ Revenue, as restated
Instruction	\$ 18,110,696	\$ (9,742,879)	\$ 18,022,115	\$ (6,868,523)
Support services - students and staff	5,887,387	(5,509,460)	5,656,442	(5,095,156)
Support services - administration	5,819,196	(5,274,156)	5,114,606	(4,971,834)
Operation and maintenance of plant services	7,574,946	(1,436,357)	7,659,273	405,657
Student transportation services	1,696,889	(1,640,140)	1,629,303	(1,546,942)
Operation of non-instructional services	2,387,052	(641,006)	2,233,806	(2,186,040)
Interest on long-term debt	1,220,017	(1,220,017)	1,141,511	(1,141,511)
Total	\$ 42,696,183	\$ (25,464,015)	\$ 41,457,056	\$ (21,404,349)

- The cost of all governmental activities this year was \$42.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$17.2 million.
- Net cost of governmental activities of \$25.5 million was financed by general revenues, which are made up of primarily property taxes of \$13.3 million and federal and state aid of \$13.3 million. Investment earnings accounted for \$714,581 of funding.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$16.7 million, a decrease of \$3.1 million due primarily to bond building related projects.

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Financial Analysis of the District's Funds

The General Fund comprises 55 percent of the total fund balance. The entire \$9.2 million of the General Fund's fund balance is unassigned. The General Fund is the principal operating fund of the District. The fund balance decreased \$594,585 to \$9.2 million, which is insignificant.

The Classroom Site Fund's fund balance increased \$600,445 to a fund balance of \$2.8 million primarily due to increase in the base support level amount.

The Federal and State Grants Fund's fund balance increased \$2.1 million to a deficit fund balance of \$605,780 primarily due to the closing out of federal relief funding in response to the COVID-19 pandemic.

The Debt Service Fund's fund balance increased \$174,098 to \$364,225 primarily due to increased property taxes to be used to satisfy debt obligations.

The Bond Building Fund's fund balance decreased \$6.8 million to \$4.4 million primarily due to utilization of school improvement bond proceeds.

The Other Capital Projects Fund's fund balance increased \$1.2 million to a deficit fund balance of \$2.3 million due to an increase in state reimbursements for eligible construction projects.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$1.7 million increase, or nine percent, as a result of an increased expected budget balance carryforward.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows:

- The favorable variance of \$2.3 million in instruction expenditures was a result of lower than anticipated expenditures for the increase in salaries and benefits.
- The favorable variance of \$319,823 in student transportation services expenditures was a result of lower than anticipated expenditures for fuel costs and vehicle maintenance.
- The unfavorable variance of \$162,837 in support services – administration expenditures was primarily due to an increase in salaries and benefits and an IT upgrade.

**Balsz Elementary School District No. 31
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$120.9 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$12.6 million from the prior fiscal year, primarily due to plumbing improvements, roofing, and restroom upgrades. Total depreciation expense for the current fiscal year was \$4.2 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023
Capital assets - non-depreciable	\$ 10,583,531	\$ 10,183,028
Capital assets - depreciable, net	67,155,693	59,145,388
Total	\$ 77,739,224	\$ 69,328,416

The estimated cost to complete current construction projects is \$229,207.

Additional information on the District’s capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$35.2 million in long-term debt outstanding, \$1.7 million due within one year. Long-term debt decreased by \$1.8 million due to principal retirement of bonds.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$105.7 million and the Class B debt limit is \$70.5 million which is more than the District’s total outstanding general obligation debt and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 10 and 11.

Economic Factors and Next Year’s Budget and Rates

Many factors were considered by the District’s administration during the process of developing the fiscal year 2024-25 budget. Among them:

- Fiscal year 2023-24 budget balance carry forward (estimated \$911,015).
- District student population (estimated 1,936).
- Local economy and population demographics of the District.

**Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Economic Factors and Next Year's Budget and Rates

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund decreased \$3.1 million to \$18.8 million in fiscal year 2024-25. A decrease in student enrollment and carryover is the primary reason for the decrease. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2024-25 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Balsz Elementary School District No. 31, 4825 East Roosevelt Street, Phoenix, Arizona 85008.

Basic Financial Statements

(This page intentionally left blank)

Government-Wide Financial Statements

Balsz Elementary School District No. 31
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 20,109,683
Property taxes receivable	228,869
Due from governmental entities	4,787,671
Leases receivable	4,677,791
Total current assets	29,804,014
Noncurrent assets:	
Net other postemployment benefits assets	712,380
Capital assets not being depreciated	10,583,531
Capital assets, net accumulated depreciation	67,155,693
Total noncurrent assets	78,451,604
Total assets	108,255,618
 Deferred outflows of resources	
Pension plan items	3,886,320
Other postemployment benefit plan items	49,363
Total deferred outflows of resources	3,935,683
 Liabilities	
Current liabilities:	
Accounts payable	2,225,510
Accrued payroll and employee benefits	225,086
Unearned revenues	510,476
Claims and judgments payable	44,050
Compensated absences payable	75,000
Bonds payable	1,670,000
Accrued interest payable	680,763
Total current liabilities	5,430,885
Noncurrent liabilities:	
Non-current portion of long-term obligations	55,357,249
Total noncurrent liabilities	55,357,249
Total liabilities	60,788,134
 Deferred inflows of resources	
Pension plan items	754,916
Other postemployment benefit plan items	341,595
Leases	4,569,375
Total deferred inflows of resources	5,665,886
 Net position	
Net investment in capital assets	46,969,075
Restricted for:	
Instruction	4,694,004
Food service	785,125
Non-instructional purposes	1,190,239
Debt service	399,364
Capital outlay	207,254
Other postemployment benefit plan assets	712,380
Unrestricted	(9,220,160)
Total net position	\$ 45,737,281

Balsz Elementary School District No. 31
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 18,110,696	\$ 131,103	\$ 8,128,457	\$ 108,257	\$ (9,742,879)
Support services - students and staff	5,887,387		377,927		(5,509,460)
Support services - administration	5,819,196		545,040		(5,274,156)
Operation and maintenance of plant services	7,574,946	634,246	98,583	5,405,760	(1,436,357)
Student transportation services	1,696,889		56,749		(1,640,140)
Operation of non-instructional services	2,387,052	37,447	1,708,599		(641,006)
Interest on long-term debt	1,220,017				(1,220,017)
Total governmental activities	<u>\$ 42,696,183</u>	<u>\$ 802,796</u>	<u>\$ 10,915,355</u>	<u>\$ 5,514,017</u>	<u>(25,464,015)</u>
General revenues					
Property taxes					13,311,459
Investment income					714,581
Unrestricted state aid					12,956,198
Unrestricted federal aid					389,404
Total general revenues					<u>27,371,642</u>
Changes in net position					
					1,907,627
Net position, beginning of year, previously reported					
					43,902,958
Adjustments to beginning net position					(73,304)
Net position, beginning of year, as restated					<u>43,829,654</u>
Net position, end of year					
					<u>\$ 45,737,281</u>

(This page intentionally left blank)

Fund Financial Statements

Balsz Elementary School District No. 31
Balance Sheet
Governmental Funds
June 30, 2024

	Federal and State			
	General	Classroom Site	Grants	Debt Service
Assets				
Cash and investments	\$ 6,124,133	\$ 3,440,558	\$	\$ 2,700,581
Property taxes receivable	179,323			49,546
Due from governmental entities	44,050		2,212,697	
Due from other funds	3,698,998			
Leases receivable	4,677,791			
Total assets	<u>\$ 14,724,295</u>	<u>\$ 3,440,558</u>	<u>\$ 2,212,697</u>	<u>\$ 2,750,127</u>
Liabilities				
Accounts payable	\$ 619,655	\$	\$ 26,438	\$
Due to other funds			1,601,375	
Accrued payroll and employee benefits	146,222		78,864	
Unearned revenues			510,476	
Claims and judgement payables	44,050			
Bonds payable				1,670,000
Bond interest payable				680,763
Total liabilities	<u>809,927</u>	<u></u>	<u>2,217,153</u>	<u>2,350,763</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	128,210			35,139
Unavailable revenues - intergovernmental	44,050		601,324	
Leases	4,569,375			
Total deferred inflows of resources	<u>4,741,635</u>	<u></u>	<u>601,324</u>	<u>35,139</u>
Fund balances				
Restricted		3,440,558		364,225
Unassigned	9,172,733		(605,780)	
Total fund balances	<u>9,172,733</u>	<u>3,440,558</u>	<u>(605,780)</u>	<u>364,225</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,724,295</u>	<u>\$ 3,440,558</u>	<u>\$ 2,212,697</u>	<u>\$ 2,750,127</u>

<u>Bond Building</u>	<u>Other Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,709,565	\$	\$ 2,134,846	\$ 20,109,683
			228,869
	2,437,480	93,444	4,787,671
			3,698,998
			4,677,791
<u>\$ 5,709,565</u>	<u>\$ 2,437,480</u>	<u>\$ 2,228,290</u>	<u>\$ 33,503,012</u>
\$ 1,286,302	\$ 293,115	\$	\$ 2,225,510
	2,097,623		3,698,998
			225,086
			510,476
			44,050
			1,670,000
			680,763
<u>1,286,302</u>	<u>2,390,738</u>		<u>9,054,883</u>
			163,349
	2,365,600		3,010,974
			4,569,375
	<u>2,365,600</u>		<u>7,743,698</u>
4,423,263		2,228,290	10,456,336
	(2,318,858)		6,248,095
<u>4,423,263</u>	<u>(2,318,858)</u>	<u>2,228,290</u>	<u>16,704,431</u>
<u>\$ 5,709,565</u>	<u>\$ 2,437,480</u>	<u>\$ 2,228,290</u>	<u>\$ 33,503,012</u>

(This page intentionally left blank)

Balsz Elementary School District No. 31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds **\$ 16,704,431**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 120,923,314	
Less accumulated depreciation/amortization	<u>(43,184,090)</u>	
		77,739,224

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	163,349	
Intergovernmental	<u>3,010,974</u>	
		3,174,323

The net OPEB asset is not a current financial resource and, therefore, is not reported in the funds

712,380

Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions/OPEB	3,935,683	
Deferred inflows of resources related to pensions/OPEB	<u>(1,096,511)</u>	
		2,839,172

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(571,984)	
Bonds payable	(33,523,412)	
Net pension liability	<u>(21,336,853)</u>	
		<u>(55,432,249)</u>

Net position of governmental activities **\$ 45,737,281**

Balsz Elementary School District No. 31
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Federal and State			
	General	Classroom Site	Grants	Debt Service
Revenues				
Other local	\$ 1,018,070	\$ 91,162	\$	\$ 9,967
Property taxes	10,379,756			2,899,308
State aid and grants	10,973,733	1,790,090	118,639	
Federal aid, grants and reimbursements	<u>327,217</u>		<u>11,089,351</u>	
Total revenues	<u>22,698,776</u>	<u>1,881,252</u>	<u>11,207,990</u>	<u>2,909,275</u>
Expenditures				
Current:				
Instruction	9,680,276	1,280,807	3,331,135	
Support services - students and staff	2,820,386		2,566,677	
Support services - administration	3,614,981		1,452,124	
Operation and maintenance of plant services	4,618,912		669,523	
Student transportation services	729,516		385,410	
Operation of non-instructional services	58,768		92,868	
Capital outlay	2,608,206		108,257	
Debt service:				
Principal retirement				1,670,000
Interest and fiscal charges				<u>1,362,275</u>
Total expenditures	<u>24,131,045</u>	<u>1,280,807</u>	<u>8,605,994</u>	<u>3,032,275</u>
Excess (deficiency) of revenues over expenditures	<u>(1,432,269)</u>	<u>600,445</u>	<u>2,601,996</u>	<u>(123,000)</u>
Other financing sources (uses)				
Transfers in	837,684			297,098
Transfers out			<u>(527,950)</u>	
Total other financing sources (uses)	<u>837,684</u>		<u>(527,950)</u>	<u>297,098</u>
Changes in fund balances	<u>(594,585)</u>	<u>600,445</u>	<u>2,074,046</u>	<u>174,098</u>
Fund balances, beginning of year, previously reported	9,767,318		(2,679,826)	190,127
Adjustments to beginning fund balances		2,840,113		
Fund balances, beginning of year, as restated	<u>9,767,318</u>	<u>2,840,113</u>	<u>(2,679,826)</u>	<u>190,127</u>
Fund balances, end of year	<u>\$ 9,172,733</u>	<u>\$ 3,440,558</u>	<u>\$ (605,780)</u>	<u>\$ 364,225</u>

<u>Bond Building</u>	<u>Other Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 348,479	\$	\$ 152,779	\$ 1,620,457
			13,279,064
	6,578,153	148,325	19,608,940
		<u>2,554,144</u>	<u>13,970,712</u>
<u>348,479</u>	<u>6,578,153</u>	<u>2,855,248</u>	<u>48,479,173</u>
		72,486	14,364,704
		13,770	5,400,833
		1,725	5,068,830
		36,010	5,324,445
		9,111	1,124,037
		2,122,912	2,274,548
6,848,113	5,332,456	63,449	14,960,481
			1,670,000
			<u>1,362,275</u>
<u>6,848,113</u>	<u>5,332,456</u>	<u>2,319,463</u>	<u>51,550,153</u>
<u>(6,499,634)</u>	<u>1,245,697</u>	<u>535,785</u>	<u>(3,070,980)</u>
			1,134,782
<u>(297,098)</u>		<u>(309,734)</u>	<u>(1,134,782)</u>
<u>(297,098)</u>		<u>(309,734)</u>	
<u>(6,796,732)</u>	<u>1,245,697</u>	<u>226,051</u>	<u>(3,070,980)</u>
11,219,995	(3,491,251)	4,842,352	19,848,715
	(73,304)	(2,840,113)	(73,304)
<u>11,219,995</u>	<u>(3,564,555)</u>	<u>2,002,239</u>	<u>19,775,411</u>
<u>\$ 4,423,263</u>	<u>\$ (2,318,858)</u>	<u>\$ 2,228,290</u>	<u>\$ 16,704,431</u>

Balsz Elementary School District No. 31
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Changes in fund balances - total governmental funds **\$ (3,070,980)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for capitalized assets	\$ 12,569,917	
Less current year depreciation/amortization	<u>(4,159,109)</u>	
		8,410,808

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	32,395	
Intergovernmental	<u>(3,907,758)</u>	
		(3,875,363)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,670,000

Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.

Current year pension contributions/OPEB contributions	2,130,276	
Pension expense/OPEB expense	<u>(3,322,204)</u>	
		(1,191,928)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of deferred bond items	142,258	
Compensated absences	<u>(177,168)</u>	
		<u>(34,910)</u>

Changes in net position in governmental activities **\$ 1,907,627**

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Balsz Elementary School District No. 31 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction, maintenance of District facilities and food services.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to programs of functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted federal, state aid, and other items not included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Property taxes, state aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund and the Unrestricted Capital Outlay Fund, as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Classroom Site Fund – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school fund earnings.

Federal and State Grants Fund – The Federal and State Grants Fund accounts for financial assistance received for federal and state grants and projects.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Other Capital Projects Funds – The Other Capital Projects Funds account for the revenues and expenditures of other capital projects activities, including the following: energy water and savings and building renewal grant.

D. Cash and Investments

A.R.S. require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or instrumentalities; specified state and local government bonds and notes; and interest bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the Auxiliary Operations and Student Activities Funds in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the governmental fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

I. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; and vehicles, furniture, and equipment; construction progress; and intangible right-to-use assets are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Land improvements	10 - 20 years
Buildings and improvements	10 - 50 years
Vehicles, furniture and equipment	5 - 20 years

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

L. Leases

As lessor, if there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

M. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line interest method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

O. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

P. Net Position Flow Assumption

In the government-wide financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

Q. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 – Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance have amounts are reported.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 2 – Fund Balance Classifications

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy regarding the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the District’s fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	General	Classroom Site Fund	Federal and State Grants	Debt Service	Bond Building	Other Capital Projects	Non-Major Governmental Funds
Fund Balances:							
Restricted:							
Debt service	\$	\$	\$	\$ 364,225	\$	\$	\$
Capital projects							160,512
Bond building projects					4,423,263		
Voter approved initiatives		3,440,558					777,629
Food service							785,125
Civic center							112,377
Community schools							19,110
Extracurricular activities							327,986
Student activities							28,740
Other purposes							16,811
Unassigned	9,172,733		(605,780)			(2,318,858)	
Total fund balances	<u>\$ 9,172,733</u>	<u>\$ 3,440,558</u>	<u>\$ (605,780)</u>	<u>\$ 364,225</u>	<u>\$ 4,423,263</u>	<u>\$ (2,318,858)</u>	<u>\$ 2,228,290</u>

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balances – At year end, the Federal and State Grants and Other Capital Projects Funds, both major governmental funds, reported deficits of \$605,780 and 2,318,858 in fund balance, respectively. The deficits arose because of operations during the year and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2024-25 are expected to eliminate the deficits.

Excess Expenditures Over Budget – At year end, the District had expenditures in a fund that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was zero and the bank balance was \$15,367.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

The County Treasurer’s pool and the Arizona School Risk Retention pool are trust investment external investment pools with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The fair value of each participant’s position in both of the investment pools approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

At year end, the District’s investments consisted of the following:

	Average Maturities	Fair Value
County Treasurer’s investment pool	365 days	\$ 20,109,683

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 4 – Cash and Investments

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency. All investments held in the Arizona School Risk Retention Trust investment pool were rated between A- and AA+ by Standard and Poor’s at year end.

Custodial Credit Risk Investments. The District’s investment in the County Treasurer’s investment pool and the Arizona Risk Retention Trust Investment Pool both represent a proportionate interest in the pool’s portfolio; however the District’s portion is not identified with specific investments and is not subject to custodial credit risk.

Note 5 – Receivables

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District’s individual major funds and non-major funds in the aggregate were as follows:

	General	Federal and State Grants	Other Capital Projects	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$ 2,212,697	\$	\$ 24,766
Due from state government	44,050		2,437,480	68,678
Net due from governmental entities	<u>\$ 44,050</u>	<u>\$ 2,212,697</u>	<u>\$ 2,437,480</u>	<u>\$ 93,444</u>

Note 6 – Leases Receivable

The District acts as lessor for building rentals, a solar agreement, and a telecommunications agreement under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$523,127 and related interest revenue of \$12,833 are recorded as other local revenue in the General Fund.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 6 – Leases Receivable

Future minimum lease payments to be received under the lease agreements at year end are summarized as follows:

Year Ending June 30:		
2025	\$	510,064
2026		450,731
2027		457,092
2028		464,208
2029		472,081
2030-34		1,987,402
2035-39		157,354
2040-44		141,005
2045-48		<u>108,720</u>
Total	\$	<u><u>4,748,657</u></u>

Note 7 – Capital Assets

A summary of capital asset activity for the current fiscal year follows:

	Beginning Balance	Increase	Decrease	Ending Balance
<u>Governmental Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 8,103,949	\$	\$	\$ 8,103,949
Construction in progress	<u>2,079,079</u>	<u>4,161,597</u>	<u>3,761,094</u>	<u>2,479,582</u>
Total capital assets, not being depreciated	<u>10,183,028</u>	<u>4,161,597</u>	<u>3,761,094</u>	<u>10,583,531</u>
Capital assets, being depreciated:				
Land improvements	7,349,054	2,495,473		9,844,527
Buildings and improvements	80,691,378	8,341,823		89,033,201
Vehicles, furniture and equipment	<u>10,129,937</u>	<u>1,332,118</u>		<u>11,462,055</u>
Total capital assets being depreciated	<u>98,170,369</u>	<u>12,169,414</u>		<u>110,339,783</u>
Less accumulated depreciation for:				
Land improvements	(3,737,353)	(543,868)		(4,281,221)
Buildings and improvements	(28,601,109)	(2,770,237)		(31,371,346)
Vehicles, furniture and equipment	<u>(6,686,519)</u>	<u>(845,004)</u>		<u>(7,531,523)</u>
Total accumulated depreciation	<u>(39,024,981)</u>	<u>(4,159,109)</u>		<u>(43,184,090)</u>
Total capital assets, being depreciated, net	<u>59,145,388</u>	<u>8,010,305</u>		<u>67,155,693</u>
Governmental activities capital assets, net	<u>\$ 69,328,416</u>	<u>\$ 12,171,902</u>	<u>\$ 3,761,094</u>	<u>\$ 77,739,224</u>

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 7 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,961,253
Support services – students and staff	97,507
Support services – administration	62,826
Operation and maintenance of plant services	1,947,012
Student transportation services	<u>90,511</u>
Total depreciation expense – governmental activities	<u>\$ 4,159,109</u>

Construction Commitments – At year end, the District had contractual commitments related to a capital project for the renovation of school facilities. At year end, the District had spent \$2.5 million on the HVAC and building remodel projects and had estimated remaining contractual commitments of \$229,207. The HVAC project is being funded with Building Renewal Grant revenues and the building remodel project are being paid with bond proceeds.

Note 8 – Claims and Judgments Payable

During fiscal year 2023-24, the District received notice that the Qasimyar v. Maricopa County, Class Action Judgment had been finalized by the Tax Court. The District, along with all taxing districts in Maricopa County, was affected by the judgment. The Tax Court ruling spanned multiple tax years and, in most cases, resulted in a decrease to the Limited Property Value along with a corresponding refund to individual taxpayers.

As a result of the judgment, the County Treasurer’s Office published the estimated financial impact for all taxing districts. This amount is reported as a claims and judgments payable in the District’s General Fund. It is expected that the liability will be paid in the next fiscal year.

Although the District is responsible for repayment of the entire liability, due to the property tax formula the Arizona Department of Education will be recalculating basic state aid owed to the District, which is expected to be received in the next fiscal year. Any amounts expected to be received from the state are included in the due from governmental entities receivable.

Note 9 – Short-Term Debt

Revolving Line of Credit - The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$4.0 million in unused line of credit.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 10 – General Obligation Bonds Payable

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$0 remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$105.7 million, and the available margin is \$70.5 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvement Bond,					
Project 2011, Series B (2013)	\$ 5,445,000	3.75-4.00%	7/1/24-26	\$ 2,750,000	\$ 1,280,000
School Improvement Bond,					
Project of 2018, Series A (2019)	22,325,000	2.50-5.00%	7/1/24-38	20,025,000	300,000
Private placement bonds:					
School Improvement Bond,					
Project 2018, Series B (2022)	10,500,000	3.47%	7/1/24-7/1/38	<u>10,500,000</u>	<u>90,000</u>
Total				<u>\$ 33,275,000</u>	<u>\$ 1,670,000</u>

Annual debt service requirements to maturity on general obligation bonds at year end, are summarized as follows:

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 1,580,000	\$ 968,675	\$ 90,000	\$ 362,788
2026	715,000	925,875	1,125,000	341,709
2027	755,000	919,583	1,200,000	301,370
2028	1,575,000	861,687	320,000	274,998
2029	1,675,000	800,125	270,000	264,761
2030-34	8,225,000	2,782,125	2,965,000	1,084,461
2035-39	<u>8,250,000</u>	<u>982,000</u>	<u>4,530,000</u>	<u>390,548</u>
Total	<u>\$ 22,775,000</u>	<u>\$ 8,240,070</u>	<u>\$ 10,500,000</u>	<u>\$ 3,020,635</u>

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 11 – Changes in Long-Term Liabilities

Long-term liability activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 24,425,000	\$	\$ 1,650,000	\$ 22,775,000	\$ 1,580,000
Private placement bonds	10,500,000			10,500,000	90,000
Premium	2,060,670		142,258	1,918,412	
Total bonds payable	<u>36,985,670</u>		<u>1,792,258</u>	<u>35,193,412</u>	<u>1,670,000</u>
Net pension liability	19,758,048	1,578,805		21,336,853	
Compensated absences payable	394,816	339,362	162,194	571,984	75,000
Total long-term liabilities	<u>\$ 57,138,534</u>	<u>\$ 1,918,167</u>	<u>\$ 1,954,452</u>	<u>\$ 57,102,249</u>	<u>\$ 1,745,000</u>

Note 12 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Federal and State Grants and Other Capital Projects Funds, both major governmental funds, had negative cash balances of \$1,601,375 and \$2,097,623, respectively, in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		
	General	Debt Service	Total
Bond Building	\$	\$ 297,098	\$ 297,098
Federal and State Grants	527,950		527,950
Non-Major Governmental Funds	309,734		309,734
Total	<u>\$ 837,684</u>	<u>\$ 297,098</u>	<u>\$ 1,134,782</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, and (2) move federal grant funds restricted for indirect costs.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 13 – Contingent Liabilities

Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Note 14 – Restatement of Beginning Fund Balances

Correction of an Error – In the current fiscal year, the District corrected its accounting records for reclassification of prior year bond building renewal grant. The change is reflected on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances as a restatement to beginning of the year fund balances. The change is due to a reclassification of expenditures in the prior fiscal year.

Change within the Financial Reporting Entity – In the current fiscal year, there has been a change in major funds. Classroom Site Fund had assets that exceeded 10 percent of total assets. The change is reflected on the Governmental Funds State of Revenues, Expenditures, and Changes in Fund Balances as a restatement to beginning of year fund balances.

The effect of the matters noted above resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	June 30, 2023, As Previously Reported	Change within the Financial Reporting Entity	Correction of an Error	June 30, 2023, As Restated
Government-Wide				
Governmental activities	\$ 43,902,958	\$	\$ (73,304)	\$ 43,829,654
Governmental Funds				
Major Funds:				
General Fund	\$ 9,767,318	\$	\$	\$ 9,767,318
Classroom Site Fund		2,840,113		2,840,113
Federal and State Grants	(2,679,826)			(2,679,826)
Debt Service	190,127			190,127
Bond Building	11,219,995			11,219,995
Other Capital Projects	(3,491,251)		(73,304)	(3,564,555)
Nonmajor Funds	4,842,352	(2,840,113)		2,002,239
Total Governmental Funds	<u>\$ 19,848,715</u>	<u>\$</u>	<u>\$ (73,304)</u>	<u>\$ 19,775,411</u>

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 15 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined, and is covered by three public entity risk pools, the Arizona School Risk Retention Trust, Inc. (ASRRT), the Valley Schools Employee Benefit Trust (VSEBT), and the Arizona School Alliance for Worker’s Compensation, Inc., which are discussed below.

The District joined the Arizona School Risk Retention Trust, Inc. (ASRRT). ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District joined the Valley Schools Employee Benefit Trust (VSEBT) together with other districts in the state for risks of loss related to employee health and accident claims. VSEBT is a public entity risk pool currently operating as a group insurance program for several school districts. The District pays monthly premiums to VSEBT for its employee health and accident insurance coverage. The trust was fully insured for the current fiscal year, and does not pay claims, but rather provides coverage through the purchase of commercial insurance.

The District joined the Arizona School Alliance for Workers’ Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers’ compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers’ compensation coverage. The agreement provides that the Alliance will be self-sustaining through members’ premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Aggregate Amounts. At June 30, 2024, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net assets	\$ 21,336,853	\$ 712,380	\$ 21,336,853
Net liability	3,886,320	49,363	3,935,683
Deferred outflows of resources	754,916	341,595	1,096,511
Deferred inflows of resources	3,723,050	(400,846)	3,322,204
Expense	2,110,974	19,302	2,130,276
Contributions			

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District's financial statements.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Benefits Provided. The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2023 were \$2,110,974.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District’s pension plan contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund.

Pension Liability. The net pension liability was measured as of June 30, 2023. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023. The District’s proportion of the net liability was based on the District’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2023.

At June 30, 2023, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2023, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2022 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 21,336,853	0.132	0.011

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2023 was \$3,723,050.

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 482,128	\$
Net difference between projected and actual earnings on pension investments		754,916
Changes in proportion and differences between contributions and proportionate share of contributions	1,293,218	
Contributions subsequent to the measurement date	2,110,974	
Total	\$ 3,886,320	\$ 754,916

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2025	\$	696,634
2026		(395,971)
2027		813,577
2028		(93,810)

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23 %	5.90
Interest rate sensitive bonds	6 %	1.50
Private equity	10 %	6.70
Real estate	17 %	5.90
Total	100%	

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 31,959,472	\$ 21,336,853	\$ 12,479,468

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

(This page intentionally left blank)

Required Supplementary Information

(This page intentionally left blank)

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2024

	<u>Budget</u>		Non-GAAP Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 151,024	\$ 151,024
Property taxes			8,837,494	8,837,494
State aid and grants			10,973,733	10,973,733
Total revenues			<u>19,962,251</u>	<u>19,962,251</u>
Expenditures				
Current:				
Instruction	11,832,371	11,466,787	9,117,009	2,349,778
Support services - students and staff	2,159,763	2,854,745	2,748,750	105,995
Support services - administration	2,643,741	2,455,689	2,618,526	(162,837)
Operation and maintenance of plant services	2,354,071	3,947,806	4,034,780	(86,974)
Student transportation services	1,049,340	1,049,339	729,516	319,823
Operation of non-instructional services	58,770	58,770	58,768	2
Total expenditures	<u>20,098,056</u>	<u>21,833,136</u>	<u>19,307,349</u>	<u>2,525,787</u>
Excess (deficiency) of revenues over expenditures	<u>(20,098,056)</u>	<u>(21,833,136)</u>	<u>654,902</u>	<u>22,488,038</u>
Changes in fund balances	<u>(20,098,056)</u>	<u>(21,833,136)</u>	<u>654,902</u>	<u>22,488,038</u>
Fund balances, beginning of year			<u>2,834,107</u>	<u>2,834,107</u>
Fund balances, end of year	<u>\$ (20,098,056)</u>	<u>\$ (21,833,136)</u>	<u>\$ 3,489,009</u>	<u>\$ 25,322,145</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 91,162	\$ 91,162
State aid and grants			1,790,090	1,790,090
Total revenues			<u>1,881,252</u>	<u>1,881,252</u>
Expenditures				
Current:				
Instruction	4,608,853	5,272,577	1,280,807	3,991,770
Total expenditures	<u>4,608,853</u>	<u>5,272,577</u>	<u>1,280,807</u>	<u>3,991,770</u>
Changes in fund balances	<u>(4,608,853)</u>	<u>(5,272,577)</u>	<u>600,445</u>	<u>5,873,022</u>
Fund balances, beginning of year			<u>2,840,113</u>	<u>2,840,113</u>
Fund balances, end of year	<u>\$ (4,608,853)</u>	<u>\$ (5,272,577)</u>	<u>\$ 3,440,558</u>	<u>\$ 8,713,135</u>

See accompanying notes to this schedule.

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State aid and grants	\$	\$	\$ 118,639	\$ 118,639
Federal aid, grants and reimbursements			11,089,351	11,089,351
Total revenues			<u>11,207,990</u>	<u>11,207,990</u>
Expenditures				
Current:				
Instruction	6976382.005	7,577,469	3,331,135	4,246,334
Support services - students and staff	5,375,381	5,838,525	2,566,677	3,271,848
Support services - administration	3,041,177	3,303,206	1,452,124	1,851,082
Operation and maintenance of plant services	1,402,179	1,522,991	669,523	853,468
Student transportation services	807,163	876,708	385,410	491,298
Operation of non-instructional services	194,493	211,251	92,868	118,383
Capital outlay	226,722	246,257	108,257	138,000
Total expenditures	<u>18,023,497</u>	<u>19,576,406</u>	<u>8,605,994</u>	<u>10,970,412</u>
Excess (deficiency) of revenues over expenditures	<u>(18,023,497)</u>	<u>(19,576,406)</u>	<u>2,601,996</u>	<u>22,178,402</u>
Other financing sources (uses)				
Transfers out			(527,950)	(527,950)
Total other financing sources (uses)			<u>(527,950)</u>	<u>(527,950)</u>
Changes in fund balances	<u>(18,023,497)</u>	<u>(19,576,406)</u>	<u>2,074,046</u>	<u>21,650,452</u>
Fund balances, beginning of year			<u>(2,679,826)</u>	<u>(2,679,826)</u>
Fund balances, end of year	<u>\$ (18,023,497)</u>	<u>\$ (19,576,406)</u>	<u>\$ (605,780)</u>	<u>\$ 18,970,626</u>

Balsz Elementary School District No. 31
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
District's proportion of the net pension (assets) liability	0.13%	0.12%	0.12%	0.12%
District's proportionate share of the net pension (assets) liability	\$ 21,336,853	\$ 19,758,048	\$ 15,365,397	\$ 19,993,071
District's covered payroll	\$ 17,191,535	\$ 14,384,954	\$ 13,110,970	\$ 12,320,489
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	124.11%	137.35%	117.19%	162.27%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%

Schedule of Pension Contributions
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 2,110,973	\$ 2,049,231	\$ 1,727,633	\$ 1,527,428
Contributions in relation to the actuarially determined contribution	<u>2,110,973</u>	<u>2,049,231</u>	<u>1,727,633</u>	<u>1,527,428</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 17,547,581	\$ 17,191,535	\$ 14,384,954	\$ 13,110,970
Contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.65%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.12%	0.12%	0.12%	0.13%	0.13%	0.14%
\$ 16,679,999	\$ 17,308,977	\$ 18,607,982	\$ 20,460,337	\$ 20,007,267	\$ 20,086,338
\$ 12,318,247	\$ 12,331,284	\$ 11,670,083	\$ 11,779,438	\$ 11,861,423	\$ 12,159,654
135.41%	140.37%	159.45%	173.70%	168.68%	165.19%
73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,410,696	\$ 1,377,180	\$ 1,344,110	\$ 1,258,035	\$ 1,278,069	\$ 1,291,709
<u>1,410,696</u>	<u>1,377,180</u>	<u>1,344,110</u>	<u>1,258,035</u>	<u>1,278,069</u>	<u>1,291,709</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 12,320,489	\$ 12,318,247	\$ 12,331,284	\$ 11,670,083	\$ 11,779,438	\$ 11,861,423
11.45%	11.18%	10.90%	10.78%	10.85%	10.89%

Balsz Elementary School District No. 31
Notes to Required Supplementary Information
June 30, 2024

Note 1 – Budgetary Basis of Accounting

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following item.

- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.
- Expenditures for claims and judgments are not budgeted.

Additionally, the General Fund includes the Maintenance and Operations Fund and other funds that do not meet the criteria for separate reporting in the financial statements, and which do not have legally adopted budgets. Arizona Revised Statutes requires a Maintenance and Operations Fund budget, and therefore, these other funds must be subtracted to present only the activity of the Maintenance and Operations Fund.

The following schedule reconciles expenditures and fund balances at the end of year:

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 24,131,045	\$ 9,172,733
Other funds presented in the General Fund	(4,780,114)	(5,709,531)
Claims and Judgments	(44,050)	44,050
Employee insurance account	468	(18,243)
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	\$ 19,307,349	\$ 3,489,009

Note 2 – Pension Plan Schedules

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

**Combining and Individual
Fund Financial Statements and Schedules**

(This page intentionally left blank)

Governmental Funds

(This page intentionally left blank)

Non-Major Governmental Funds

Special Revenue Funds

Instructional Improvement – to account for the activity of monies received from gaming revenue.

Food Service – to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Other Special Revenue Funds – to account for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, extracurricular activities fees tax credit, and student activities.

Capital Projects Fund

Adjacent Ways – to account for monies received to finance improvements of public ways adjacent to school property.

Balsz Elementary School District No. 31
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>
	<u>Instructional Improvement</u>	<u>Food Service</u>	<u>Other Special Revenue</u>	<u>Adjacent Ways</u>
	Assets			
Cash and investments	\$ 708,951	\$ 760,359	\$ 505,024	\$ 160,512
Due from governmental entities	68,678	24,766		
Total assets	<u>\$ 777,629</u>	<u>\$ 785,125</u>	<u>\$ 505,024</u>	<u>\$ 160,512</u>
Fund balances				
Restricted	<u>777,629</u>	<u>785,125</u>	<u>505,024</u>	<u>160,512</u>
Total fund balances	<u>777,629</u>	<u>785,125</u>	<u>505,024</u>	<u>160,512</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 777,629</u>	<u>\$ 785,125</u>	<u>\$ 505,024</u>	<u>\$ 160,512</u>

**Total Non-Major
Governmental
Funds**

\$ 2,134,846
93,444

\$ 2,228,290

2,228,290

2,228,290

\$ 2,228,290

Balsz Elementary School District No. 31
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Revenues				
Other local	\$	\$ 16,898	\$ 61,114	\$ 70,488
State aid and grants		148,325		
Federal aid, grants and reimbursements			2,554,144	
Total revenues		<u>165,223</u>	<u>2,615,258</u>	<u>70,488</u>
Expenditures				
Current:				
Instruction		29,966		42,520
Support services - students and staff			13,770	
Support services - administration			290	1,435
Operation and maintenance of plant services			30,571	5,439
Student transportation services				9,111
Operation of non-instructional services			2,122,912	
Capital outlay			63,449	
Total expenditures		<u>29,966</u>	<u>2,230,992</u>	<u>58,505</u>
Excess (deficiency) of revenues over expenditures		<u>135,257</u>	<u>384,266</u>	<u>11,983</u>
Other financing sources (uses)				
Transfers out			(309,734)	
Total other financing sources (uses)			<u>(309,734)</u>	
Changes in fund balances		<u>135,257</u>	<u>74,532</u>	<u>11,983</u>
Fund balances, beginning of year, previously reported	2,840,113	642,372	710,593	493,041
Adjustments to beginning fund balances	(2,840,113)			
Fund balances, beginning of year, as restated		<u>642,372</u>	<u>710,593</u>	<u>493,041</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 777,629</u>	<u>\$ 785,125</u>	<u>\$ 505,024</u>

Capital Projects

<u>Funds</u>		Total Non-Major Governmental	
<u>Adjacent Ways</u>		<u>Funds</u>	
\$ 4,279		\$ 152,779	
		148,325	
		<u>2,554,144</u>	
<u>4,279</u>		<u>2,855,248</u>	
		72,486	
		13,770	
		1,725	
		36,010	
		9,111	
		2,122,912	
		<u>63,449</u>	
		<u>2,319,463</u>	
<u>4,279</u>		<u>535,785</u>	
		(309,734)	
		<u>(309,734)</u>	
<u>4,279</u>		<u>226,051</u>	
156,233		4,842,352	
		<u>(2,840,113)</u>	
<u>156,233</u>		<u>2,002,239</u>	
<u>\$ 160,512</u>		<u>\$ 2,228,290</u>	

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 16,898	\$ 16,898
State aid and grants			148,325	148,325
Total revenues			<u>165,223</u>	<u>165,223</u>
Expenditures				
Current:				
Instruction	564,231	733,349	29,966	703,383
Total expenditures	<u>564,231</u>	<u>733,349</u>	<u>29,966</u>	<u>703,383</u>
Changes in fund balances	<u>(564,231)</u>	<u>(733,349)</u>	<u>135,257</u>	<u>868,606</u>
Fund balances, beginning of year			<u>642,372</u>	<u>642,372</u>
Fund balances, end of year	<u>\$ (564,231)</u>	<u>\$ (733,349)</u>	<u>\$ 777,629</u>	<u>\$ 1,510,978</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 61,114	\$ 61,114
Federal aid, grants and reimbursements			2,554,144	2,554,144
Total revenues			<u>2,615,258</u>	<u>2,615,258</u>
Expenditures				
Current:				
Instruction				
Support services - students and staff	18,516	22,518	13,770	8,748
Support services - administration	390	474	290	184
Operation and maintenance of plant services	41,109	49,992	30,571	19,421
Operation of non-instructional services	2,854,666	3,471,559	2,122,912	1,348,647
Capital outlay	85,319	103,757	63,449	40,308
Total expenditures	<u>3,000,000</u>	<u>3,648,300</u>	<u>2,230,992</u>	<u>1,417,308</u>
Excess (deficiency) of revenues over expenditures	<u>(3,000,000)</u>	<u>(3,648,300)</u>	<u>384,266</u>	<u>4,032,566</u>
Other financing sources (uses)				
Transfers out			(309,734)	(309,734)
Total other financing sources (uses)			<u>(309,734)</u>	<u>(309,734)</u>
Changes in fund balances	<u>(3,000,000)</u>	<u>(3,648,300)</u>	<u>74,532</u>	<u>3,722,832</u>
Fund balances, beginning of year			<u>710,593</u>	<u>710,593</u>
Fund balances, end of year	<u>\$ (3,000,000)</u>	<u>\$ (3,648,300)</u>	<u>\$ 785,125</u>	<u>\$ 4,433,425</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	70,488	\$ 70,488
Total revenues			<u>70,488</u>	<u>70,488</u>
Expenditures				
Current:				
Instruction	351,563	400,607	42,520	358,087
Support services - administration	11,865	13,520	1,435	12,085
Operation and maintenance of plant services	44,971	51,244	5,439	45,805
Student transportation services	75,331	85,840	9,111	76,729
Total expenditures	<u>483,730</u>	<u>551,212</u>	<u>58,505</u>	<u>492,707</u>
Excess (deficiency) of revenues over expenditures	<u>(483,730)</u>	<u>(551,212)</u>	<u>11,983</u>	<u>563,195</u>
Changes in fund balances	<u>(483,730)</u>	<u>(551,212)</u>	<u>11,983</u>	<u>563,195</u>
Fund balances, beginning of year			<u>493,041</u>	<u>493,041</u>
Fund balances, end of year	<u>\$ (483,730)</u>	<u>\$ (551,212)</u>	<u>\$ 505,024</u>	<u>\$ 1,056,236</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 9,967	\$ 9,967
Property taxes			2,899,308	2,899,308
Total revenues			<u>2,909,275</u>	<u>2,909,275</u>
Expenditures				
Debt service:				
Principal retirement	1,670,000	1,670,000	1,670,000	
Interest and fiscal charges	830,000	1,048,364	1,362,275	(313,911)
Total expenditures	<u>2,500,000</u>	<u>2,718,364</u>	<u>3,032,275</u>	<u>(313,911)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,500,000)</u>	<u>(2,718,364)</u>	<u>(123,000)</u>	<u>2,595,364</u>
Other financing sources (uses)				
Transfers in			297,098	297,098
Total other financing sources (uses)			<u>297,098</u>	<u>297,098</u>
Changes in fund balances	<u>(2,500,000)</u>	<u>(2,718,364)</u>	<u>174,098</u>	<u>2,892,462</u>
Fund balances, beginning of year			<u>190,127</u>	<u>190,127</u>
Fund balances, end of year	<u>\$ (2,500,000)</u>	<u>\$ (2,718,364)</u>	<u>\$ 364,225</u>	<u>\$ 3,082,589</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	4,279	\$ 4,279
Total revenues			<u>4,279</u>	<u>4,279</u>
Expenditures				
Capital outlay	155,281	159,183		159,183
Total expenditures	<u>155,281</u>	<u>159,183</u>		<u>159,183</u>
Changes in fund balances	<u>(155,281)</u>	<u>(159,183)</u>	<u>4,279</u>	<u>163,462</u>
Fund balances, beginning of year			<u>156,233</u>	<u>156,233</u>
Fund balances, end of year	<u>\$ (155,281)</u>	<u>\$ (159,183)</u>	<u>\$ 160,512</u>	<u>\$ 319,695</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 348,479	\$ 348,479
Total revenues			<u>348,479</u>	<u>348,479</u>
Expenditures				
Capital outlay	12,395,821	7,705,220	6,848,113	857,107
Total expenditures	<u>12,395,821</u>	<u>7,705,220</u>	<u>6,848,113</u>	<u>857,107</u>
Excess (deficiency) of revenues over expenditures	<u>(12,395,821)</u>	<u>(7,705,220)</u>	<u>(6,499,634)</u>	<u>1,205,586</u>
Other financing sources (uses)				
Transfers out			(297,098)	(297,098)
Total other financing sources (uses)			<u>(297,098)</u>	<u>(297,098)</u>
Changes in fund balances	<u>(12,395,821)</u>	<u>(7,705,220)</u>	<u>(6,796,732)</u>	<u>908,488</u>
Fund balances, beginning of year			<u>11,219,995</u>	<u>11,219,995</u>
Fund balances, end of year	<u>\$ (12,395,821)</u>	<u>\$ (7,705,220)</u>	<u>\$ 4,423,263</u>	<u>\$ 12,128,483</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State aid and grants	\$	\$	6,578,153	\$ 6,578,153
Total revenues			<u>6,578,153</u>	<u>6,578,153</u>
Expenditures				
Capital outlay	2,046,658	6,146,742	5,332,456	814,286
Total expenditures	<u>2,046,658</u>	<u>6,146,742</u>	<u>5,332,456</u>	<u>814,286</u>
Excess (deficiency) of revenues over expenditures	<u>(2,046,658)</u>	<u>(6,146,742)</u>	<u>1,245,697</u>	<u>7,392,439</u>
Changes in fund balances	<u>(2,046,658)</u>	<u>(6,146,742)</u>	<u>1,245,697</u>	<u>7,392,439</u>
Fund balances, beginning of year, previously reported			(3,491,251)	(3,491,251)
Adjustments to beginning fund balances			(73,304)	(73,304)
Fund balances, beginning of year, as restated			<u>(3,564,555)</u>	<u>(3,564,555)</u>
Fund balances, end of year	<u>\$ (2,046,658)</u>	<u>\$ (6,146,742)</u>	<u>\$ (2,318,858)</u>	<u>\$ 3,827,884</u>

Statistical Section

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

(This page intentionally left blank)

Balsz Elementary School District No. 31
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Position					
Net investment in capital assets	\$ 46,969,075	\$ 43,562,741	\$ 40,911,807	\$ 40,053,867	\$ 41,189,501
Restricted	7,988,366	5,806,495	10,146,533	5,445,091	6,072,372
Unrestricted	<u>(9,220,160)</u>	<u>(5,539,582)</u>	<u>(10,984,827)</u>	<u>(8,566,900)</u>	<u>(10,282,666)</u>
Total net position	<u><u>\$ 45,737,281</u></u>	<u><u>\$ 43,829,654</u></u>	<u><u>\$ 40,073,513</u></u>	<u><u>\$ 36,932,058</u></u>	<u><u>\$ 36,979,207</u></u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position					
Net investment in capital assets	\$ 41,663,703	\$ 41,013,935	\$ 40,453,289	\$ 39,758,473	\$ 38,640,803
Restricted	5,019,858	5,407,971	5,142,380	4,818,387	3,795,263
Unrestricted	<u>(12,159,663)</u>	<u>(13,715,808)</u>	<u>(14,954,889)</u>	<u>(15,225,730)</u>	<u>(16,295,490)</u>
Total net position	<u><u>\$ 34,523,898</u></u>	<u><u>\$ 32,706,098</u></u>	<u><u>\$ 30,640,780</u></u>	<u><u>\$ 29,351,130</u></u>	<u><u>\$ 26,140,576</u></u>

Source: The source of this information is the District's financial records.

Note: Restricted and unrestricted net position for the year ended June 30, 2023 were restated due to a reclassification of expenses.

Balsz Elementary School District No. 31
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses					
Instruction	\$ 18,110,696	\$ 18,022,115	\$ 17,987,985	\$ 14,919,756	\$ 13,034,041
Support services - students and staff	5,887,387	5,656,442	4,754,551	3,570,010	3,567,834
Support services - administration	5,819,196	5,114,606	3,944,646	3,658,376	2,739,701
Operation and maintenance of plant services	7,574,946	7,659,273	3,592,308	3,756,063	3,098,334
Student transportation services	1,696,889	1,629,303	1,713,822	1,554,877	1,392,205
Operation of non-instructional services	2,387,052	2,233,806	2,554,619	3,025,209	2,379,002
Interest on long-term debt	1,220,017	1,141,511	1,018,305	1,010,339	1,433,969
Total expenses	<u>42,696,183</u>	<u>41,457,056</u>	<u>35,566,236</u>	<u>31,494,630</u>	<u>27,645,086</u>
Program Revenues					
Charges for services:					
Instruction	131,103	227,306	142,932	53,359	177,843
Operation of non-instructional services	37,447		33,235	11,770	17,202
Other activities	634,246	61,593	522,917	447,783	465,438
Operating grants and contributions	10,915,355	16,701,873	12,522,582	7,232,392	5,966,505
Capital grants and contributions	5,514,017	3,061,935	1,710,389	1,434,744	387,931
Total program revenues	<u>17,232,168</u>	<u>20,052,707</u>	<u>14,932,055</u>	<u>9,180,048</u>	<u>7,014,919</u>
Net (Expense)/Revenue	<u>\$ (25,464,015)</u>	<u>\$ (21,404,349)</u>	<u>\$ (20,634,181)</u>	<u>\$ (22,314,582)</u>	<u>\$ (20,630,167)</u>

(Continued)

Balsz Elementary School District No. 31
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 13,054,261	\$ 11,904,066	\$ 13,096,152	\$ 11,900,412	\$ 12,374,299
Support services - students and staff	3,005,995	3,323,231	3,822,660	3,510,039	3,430,901
Support services - administration	2,865,072	2,785,807	2,883,186	2,645,216	2,712,049
Operation and maintenance of plant services	2,900,243	2,851,337	2,650,892	2,653,406	2,474,993
Student transportation services	1,358,749	1,153,544	1,196,456	981,460	1,127,186
Operation of non-instructional services	2,252,107	2,446,262	2,425,334	2,247,788	2,143,825
Interest on long-term debt	293,724	338,986	399,086	465,836	533,336
Total expenses	<u>25,730,151</u>	<u>24,803,233</u>	<u>26,473,766</u>	<u>24,404,157</u>	<u>24,796,589</u>
Program Revenues					
Charges for services:					
Instruction	191,756	33,200	63,918	33,971	34,334
Operation of non-instructional services	58,274	289,869	398,787	37,751	64,811
Other activities	466,119	302,035	97,850	417,173	353,403
Operating grants and contributions	6,136,280	6,389,372	6,052,933	6,443,300	6,010,445
Capital grants and contributions	741,413	295,829	695,559	327,570	622,478
Total program revenues	<u>7,593,842</u>	<u>7,310,305</u>	<u>7,309,047</u>	<u>7,259,765</u>	<u>7,085,471</u>
Net (Expense)/Revenue	<u>\$ (18,136,309)</u>	<u>\$ (17,492,928)</u>	<u>\$ (19,164,719)</u>	<u>\$ (17,144,392)</u>	<u>\$ (17,711,118)</u>

Source: The source of this information is the District's financial records.

Note: Support services – administration were higher than normal in fiscal year 2023-24 due to the claims and judgments payment related to the Qasimyar v. Maricopa County, Class Action Judgment.

Note: Instruction expense for the year ended June 30, 2023 was restated due to a reclassification of expenses.

(Concluded)

Balsz Elementary School District No. 31
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net (Expense)/Revenue	\$ (25,464,015)	\$ (21,404,349)	\$ (20,634,181)	\$ (22,314,582)	\$ (20,630,167)
General Revenues:					
Property taxes	13,311,459	12,979,380	12,998,448	12,871,452	13,111,093
Investment income	714,581	434,771	142,291	177,976	551,776
Unrestricted county aid			736,464	728,769	663,773
Unrestricted state aid	12,956,198	11,498,153	9,608,284	8,366,184	8,580,137
Unrestricted federal aid	389,404	248,186	290,149	123,052	158,499
Total general revenues	<u>27,371,642</u>	<u>25,160,490</u>	<u>23,775,636</u>	<u>22,267,433</u>	<u>23,065,278</u>
Changes in Net Position	<u>\$ 1,907,627</u>	<u>\$ 3,756,141</u>	<u>\$ 3,141,455</u>	<u>\$ (47,149)</u>	<u>\$ 2,435,111</u>

(Continued)

Balsz Elementary School District No. 31
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (18,136,309)	\$ (17,492,928)	\$ (19,164,719)	\$ (17,144,392)	\$ (17,711,118)
General Revenues:					
Property taxes	11,175,422	11,337,440	11,702,129	11,450,479	9,404,115
Investment income	285,983	75,656	55,944	35,198	47,470
Unrestricted county aid	647,801	660,192	721,344	713,015	707,542
Unrestricted state aid	7,698,953	7,334,757	7,872,507	8,045,884	7,949,054
Unrestricted federal aid	145,950	147,389	102,445	110,370	36,098
Total general revenues	<u>19,954,109</u>	<u>19,555,434</u>	<u>20,454,369</u>	<u>20,354,946</u>	<u>18,144,279</u>
Changes in Net Position	<u>\$ 1,817,800</u>	<u>\$ 2,062,506</u>	<u>\$ 1,289,650</u>	<u>\$ 3,210,554</u>	<u>\$ 433,161</u>

Source: The source of this information is the District's financial records.

Note: Due to a change in legislation, beginning with fiscal year 2023, unrestricted county aid is now presented with property taxes.

Note: Net (Expense)/Revenue for the year ended June 30, 2023 was restated due to a reclassification of expenditures.

(Concluded)

Balsz Elementary School District No. 31
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	2024	2023	2022	2021	2020
General Fund:					
Unassigned	\$ 9,172,733	\$ 9,767,318	\$ 6,510,782	\$ 6,492,684	\$ 4,783,598
Total General Fund	<u>\$ 9,172,733</u>	<u>\$ 9,767,318</u>	<u>\$ 6,510,782</u>	<u>\$ 6,492,684</u>	<u>\$ 4,783,598</u>
All Other Governmental Funds:					
Restricted	\$ 10,456,336	\$ 16,252,474	\$ 10,054,754	\$ 8,242,198	\$ 12,091,826
Unassigned	(2,924,638)	(6,244,381)	(11,453,324)	(2,103,598)	(422,097)
Total all other governmental funds	<u>\$ 7,531,698</u>	<u>\$ 10,008,093</u>	<u>\$ (1,398,570)</u>	<u>\$ 6,138,600</u>	<u>\$ 11,669,729</u>

(Continued)

Balsz Elementary School District No. 31
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Unassigned	\$ 3,570,518	\$ 2,732,931	\$ 3,093,582	\$ 3,136,937	\$ 2,075,161
Total General Fund	<u>\$ 3,570,518</u>	<u>\$ 2,732,931</u>	<u>\$ 3,093,582</u>	<u>\$ 3,136,937</u>	<u>\$ 2,075,161</u>
All Other Governmental Funds:					
Nonspendable	\$ 10,200	\$	\$	\$	\$
Restricted	\$ 28,533,954	\$ 5,204,238	\$ 4,942,412	\$ 4,963,434	\$ 4,764,778
Unassigned	<u>(375,772)</u>	<u>(903,062)</u>	<u>(7,573)</u>	<u></u>	<u>(81,677)</u>
Total all other governmental funds	<u>\$ 28,168,382</u>	<u>\$ 4,301,176</u>	<u>\$ 4,934,839</u>	<u>\$ 4,963,434</u>	<u>\$ 4,683,101</u>

Source: The source of this information is the District's financial records.

Note: Unassigned fund balance for all other Governmental Funds for the year ended June 30, 2023 was restated due to a reclassification of expenditures.

(Concluded)

Balsz Elementary School District No. 31
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal sources:					
Federal grants	\$ 11,416,568	\$ 20,505,593	\$ 2,061,309	\$ 3,638,870	\$ 3,261,687
National School Lunch Program	2,554,144	2,634,348	3,215,491	2,882,925	2,416,831
Total federal sources	<u>13,970,712</u>	<u>23,139,941</u>	<u>5,276,800</u>	<u>6,521,795</u>	<u>5,678,518</u>
State sources:					
State equalization assistance	10,973,733	9,618,933	7,732,083	7,070,028	7,293,079
State grants	118,639	189,491	181,773	246,873	222,079
School Facilities Oversight Board	6,578,153	821,437	120,267	284,778	169,034
Other revenues	1,938,415	1,723,446	1,876,201	1,296,156	1,287,058
Total state sources	<u>19,608,940</u>	<u>12,353,307</u>	<u>9,910,324</u>	<u>8,897,835</u>	<u>8,971,250</u>
Local sources:					
Property taxes	13,279,064	12,996,947	13,007,648	12,922,387	13,304,572
County aid			736,464	728,769	663,773
Food service sales	37,447	59,328	33,235	11,770	11,244
Investment income	641,055	434,771	142,291	177,976	551,776
Other revenues	941,955	685,475	752,101	645,958	896,009
Total local sources	<u>14,899,521</u>	<u>14,176,521</u>	<u>14,671,739</u>	<u>14,486,860</u>	<u>15,427,374</u>
Total revenues	<u><u>\$ 48,479,173</u></u>	<u><u>\$ 49,669,769</u></u>	<u><u>\$ 29,858,863</u></u>	<u><u>\$ 29,906,490</u></u>	<u><u>\$ 30,077,142</u></u>

(Continued)

Balsz Elementary School District No. 31
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 4,245,612	\$ 2,859,024	\$ 3,919,005	\$ 4,162,312	\$ 3,478,747
National School Lunch Program	2,335,956	2,542,886	2,593,026	2,298,120	2,237,477
Total federal sources	<u>6,581,568</u>	<u>5,401,910</u>	<u>6,512,031</u>	<u>6,460,432</u>	<u>5,716,224</u>
State sources:					
State equalization assistance	6,485,720	5,769,666	6,777,717	7,034,238	6,959,283
State grants	191,502	171,250	77,376	109,635	90,567
School Facilities Oversight Board	721,113	287,129	61,254	97,265	373,853
Other revenues	1,213,233	1,565,091	1,094,790	1,011,646	989,771
Total state sources	<u>8,611,568</u>	<u>7,793,136</u>	<u>8,011,137</u>	<u>8,252,784</u>	<u>8,413,474</u>
Local sources:					
Property taxes	11,214,555	11,362,852	11,630,990	11,524,030	9,425,697
County aid	647,801	660,192	721,344	713,015	707,542
Food service sales	51,778	29,437	37,583	37,751	35,663
Investment income	285,983	75,656	55,944	34,589	47,470
Other revenues	811,349	725,619	730,768	763,255	816,978
Total local sources	<u>13,011,466</u>	<u>12,853,756</u>	<u>13,176,629</u>	<u>13,072,640</u>	<u>11,033,350</u>
Total revenues	<u>\$ 28,204,602</u>	<u>\$ 26,048,802</u>	<u>\$ 27,699,797</u>	<u>\$ 27,785,856</u>	<u>\$ 25,163,048</u>

Source: The source of this information is the District's financial records.

Note: Due to a change in legislation, beginning with fiscal year 2023, county aid is now presented with property taxes.

(Concluded)

Balsz Elementary School District No. 31
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenditures:					
Current -					
Instruction	\$ 14,364,704	\$ 14,856,790	\$ 14,691,955	\$ 11,540,863	\$ 11,327,067
Support services - students and staff	5,400,833	5,350,791	4,427,818	3,343,610	3,507,165
Support services - administration	5,068,830	4,598,937	3,589,155	2,887,994	2,547,270
Operation and maintenance of plant services	5,324,445	6,112,714	3,491,816	2,886,095	2,602,743
Student transportation services	1,124,037	1,085,266	1,030,574	728,900	1,047,322
Operation of non-instructional services	2,274,548	2,658,212	2,370,354	2,657,322	2,137,536
Capital outlay	14,960,481	7,987,526	4,595,700	6,208,871	18,740,103
Debt service -					
Principal retirement	1,670,000	1,650,000	2,020,000	2,270,000	1,835,000
Interest, premium and fiscal charges	1,362,275	1,283,769	1,160,563	1,204,878	1,628,507
Bond issuance costs		81,150			
Total expenditures	<u>\$ 51,550,153</u>	<u>\$ 45,665,155</u>	<u>\$ 37,377,935</u>	<u>\$ 33,728,533</u>	<u>\$ 45,372,713</u>
Expenditures for capitalized assets	\$ 12,569,917	\$ 5,672,987	\$ 1,751,963	\$ 2,710,834	\$ 17,691,954
Debt service as a percentage of noncapital expenditures	8%	7%	9%	11%	13%

(Continued)

Balsz Elementary School District No. 31
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 11,143,897	\$ 10,846,215	\$ 10,090,436	\$ 10,135,657	\$ 10,143,475
Support services - students and staff	3,079,999	3,517,299	3,438,015	3,367,883	3,124,357
Support services - administration	2,734,315	2,837,056	2,759,884	2,573,982	2,521,716
Operation and maintenance of plant services	2,466,639	2,517,360	2,279,939	2,378,419	2,150,011
Student transportation services	964,495	898,169	850,003	788,799	866,115
Operation of non-instructional services	1,997,828	2,236,146	2,246,262	2,184,851	2,064,814
Capital outlay	3,698,596	1,732,843	3,634,430	2,254,466	8,805,178
Debt service -					
Principal retirement	1,550,000	2,075,000	2,020,000	2,225,000	2,250,000
Interest, premium and fiscal charges	362,578	407,840	467,940	534,690	602,190
Bond issuance costs	374,129				
Total expenditures	<u>\$ 28,372,476</u>	<u>\$ 27,067,928</u>	<u>\$ 27,786,909</u>	<u>\$ 26,443,747</u>	<u>\$ 32,527,856</u>
Expenditures for capitalized assets	\$ 2,186,490	\$ 940,984	\$ 1,190,797	\$ 1,626,980	\$ 7,883,012
Debt service as a percentage of noncapital expenditures	7%	10%	9%	11%	18%

Source: The source of this information is the District's financial records.

Note: Support services – administration were higher than normal in fiscal year 2023-24 due to the claims and judgments payment related to the Qasimyar v. Maricopa County, Class Action Judgment.

Note: Instruction expenditures for the year ended June 30, 2023 was restated due to a reclassification of expenditures.

(Concluded)

Balsz Elementary School District No. 31
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess (deficiency) of revenues over expenditures	\$ (3,070,980)	\$ 4,004,614	\$ (7,519,072)	\$ (3,822,043)	\$ (15,295,571)
Other financing sources (uses):					
School improvement bonds issued		10,500,000			
Insurance recoveries		158,585			
Transfers in	1,134,782	1,014,513	986,342	1,089,301	966,938
Transfers out	<u>(1,134,782)</u>	<u>(1,014,513)</u>	<u>(986,342)</u>	<u>(1,089,301)</u>	<u>(966,938)</u>
Total other financing sources (uses)		<u>10,658,585</u>			
Changes in fund balances	<u>\$ (3,070,980)</u>	<u>\$ 14,663,199</u>	<u>\$ (7,519,072)</u>	<u>\$ (3,822,043)</u>	<u>\$ (15,295,571)</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ (167,874)	\$ (1,019,126)	\$ (87,112)	\$ 1,342,109	\$ (7,364,808)
Other financing sources (uses):					
School improvement bonds issued	22,325,000				
Premium on sale of bonds	2,513,685				
Insurance recoveries	23,782	24,811	15,162		
Transfers in	622,386	584,528	255,860	395,114	420,491
Transfers out	<u>(622,386)</u>	<u>(584,528)</u>	<u>(255,860)</u>	<u>(395,114)</u>	<u>(420,491)</u>
Total other financing sources (uses)	<u>24,862,467</u>	<u>24,811</u>	<u>15,162</u>		
Changes in fund balances	<u>\$ 24,694,593</u>	<u>\$ (994,315)</u>	<u>\$ (71,950)</u>	<u>\$ 1,342,109</u>	<u>\$ (7,364,808)</u>

Source: The source of this information is the District's financial records.

Note: Excess (deficiency) of revenues and expenditures for the year ended June 30, 2023 was restated due to a reclassification of expenditures.

Balsz Elementary School District No. 31
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 233,855,976	\$ 234,477,828	\$ 228,803,530	\$ 219,245,879	\$ 196,210,651
Agricultural and Vacant	11,960,716	12,058,528	12,884,651	11,994,241	11,597,979
Residential (Owner Occupied)	58,884,898	56,435,899	53,403,537	50,532,029	47,450,233
Residential (Rental)	82,715,006	76,854,548	69,887,218	64,596,732	59,133,229
Railroad, Private Cars and Airlines	797,217	828,227	576,132	536,752	564,374
Historical Property	180,517	4,322	4,117	3,920	148,513
Total	\$ 388,394,330	\$ 380,659,352	\$ 365,559,185	\$ 346,909,553	\$ 315,104,979
Gross Full Cash Value	\$ 7,095,853,590	\$ 5,676,659,036	\$ 5,292,136,520	\$ 4,817,280,208	\$ 4,335,860,815
Ratio of Net Limited Assessed Value to Gross Full Cash Value	5.47%	6.71%	6.91%	7.20%	7.27%
Total Direct Rate	3.55	3.51	3.66	3.83	4.26

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 189,765,972	\$ 189,071,587	\$ 165,377,032	\$ 162,546,313	\$ 169,658,450
Agricultural and Vacant	10,946,619	10,996,970	9,969,662	11,185,333	11,148,713
Residential (Owner Occupied)	43,505,128	40,942,577	37,542,134	36,279,085	35,233,330
Residential (Rental)	54,532,449	51,607,634	48,481,975	43,326,417	41,156,851
Railroad, Private Cars and Airlines	567,804	599,593	571,356	618,813	664,578
Historical Property	141,439	134,705	129,800	122,944	116,413
Certain Government Property Improvements			8,401	8,001	7,620
Total	\$ 299,459,411	\$ 293,353,066	\$ 262,080,360	\$ 254,086,906	\$ 257,985,955
Gross Full Cash Value	\$ 4,045,065,444	\$ 3,808,228,971	\$ 3,428,069,198	\$ 2,982,502,499	\$ 2,620,418,653
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7.40%	7.70%	7.65%	8.52%	9.85%
Total Direct Rate	3.84	4.04	4.32	4.58	3.74

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approved overrides.

Balsz Elementary School District No. 31
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 342,017,616	\$ 306,463,011	\$ 313,167,953	\$ 297,171,678	\$ 257,966,345
Agricultural and Vacant	17,694,540	15,417,290	17,157,272	16,413,267	14,788,946
Residential (Owner Occupied)	126,091,915	95,478,876	87,486,750	82,377,027	74,749,054
Residential (Rental)	217,332,355	167,373,964	144,433,789	118,943,170	105,445,218
Railroad, Private Cars and Airlines	1,028,124	1,091,893	747,391	679,897	697,834
Historical Property	416,050	19,970	19,995	17,295	417,545
Total	\$ 704,580,600	\$ 585,845,004	\$ 563,013,150	\$ 515,602,334	\$ 454,064,942
Gross Full Cash Value	7,095,853,590	5,676,659,036	5,292,136,520	4,817,280,208	4,335,860,815
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9.93%	10.32%	10.64%	10.70%	10.47%
Estimated Net Full Cash Value	5,354,840,566	\$ 4,345,196,450	\$ 4,069,359,144	\$ 3,691,580,145	\$ 3,259,216,023
Total Direct Rate	3.55	3.51	3.66	3.83	4.26

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 247,010,445	\$ 237,353,336	\$ 201,870,077	\$ 182,881,685	\$ 171,404,058
Agricultural and Vacant	13,801,929	13,894,916	12,249,955	12,183,835	11,414,015
Residential (Owner Occupied)	65,865,381	60,163,755	55,103,992	50,315,544	37,592,991
Residential (Rental)	85,475,827	79,072,849	71,188,216	56,270,213	48,500,016
Railroad, Private Cars and Airlines	684,910	698,989	611,694	630,639	670,794
Historical Property	343,040	302,785	232,906		
Certain Government Property Improvements			10,260		
Total	\$ 413,181,532	\$ 391,486,630	\$ 341,267,100	\$ 302,463,821	\$ 269,751,584
Gross Full Cash Value	4,045,065,444	3,808,228,971	3,428,069,198	2,982,502,499	2,620,418,653
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.21%	10.28%	9.96%	10.14%	10.29%
Estimated Net Full Cash Value	2,918,474,799	\$ 2,751,354,621	\$ 2,409,752,241	\$ 2,058,251,059	\$ 1,786,261,736
Total Direct Rate	3.84	4.04	4.32	4.58	3.74

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with the Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

Balsz Elementary School District No. 31
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	17 %	17 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	14	15	15	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	20 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

Balsz Elementary School District No. 31
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates									
	State Equalization	County	Community College District	Central Arizona Water	City of Phoenix	City of Scottsdale	Phoenix Union High School District No. 210	District Direct Rates		
								Primary	Secondary	Total
2024		1.20	1.14	0.14	2.07	0.98	4.50	1.80	1.75	3.55
2023		1.25	1.19	1.25	2.11	0.91	4.61	1.82	1.70	3.52
2022	0.43	1.35	1.23	0.14	2.12	1.01	4.72	1.94	1.72	3.66
2021	0.44	1.40	1.29	0.14	2.13	1.03	4.83	1.99	1.84	3.83
2020	0.46	1.40	1.33	0.18	2.13	1.04	4.99	2.11	2.15	4.26
2019	0.47	1.40	1.17	0.14	2.14	1.10	5.20	2.14	1.70	3.84
2018	0.49	1.40	1.41	0.14	2.16	14.12	5.03	2.16	1.88	4.04
2017	0.50	1.40	1.47	0.14	2.17	14.57	5.07	2.19	2.13	4.32
2016	0.51	1.36	1.49	0.14	1.82	1.15	4.96	2.28	2.30	4.58
2015	0.51	1.32	1.52	0.14	1.82	1.24	4.62	2.10	1.64	3.74

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

Note: There was no state equalization levy for the years ended June 30, 2023 and June 30, 2024.

**Balsz Elementary School District No. 31
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Taxpayer</u>	<u>2024</u>		<u>2015</u>	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Bank of America	\$ 10,747,949	2.77 %	\$ 1,218,462	2.15 %
4802 E Van Buren LLC	8,463,861	2.18		
Arizona Public Service Company	8,189,547	2.11	402,376	0.71
IO Data Centers LLC	6,657,639	1.71		
TPP GCI East Gateay JV LLC	6,105,568	1.57		
Honeywell International INC	5,718,269	1.47		
Copperpoint Holdings INC	5,533,090	1.42		
Youngs Market Company of Arizona LLC	4,800,734	1.24		
JDM III AZ LLC	4,777,438	1.23		
KV RMV LLC	4,677,930	1.20		
Pecan Holdings LLC			3,519,372	6.21
Target Corporation			2,187,565	3.86
Kroger's - Fry's - Smith's Food & Drug Centers Inc.			1,218,462	2.15
83 DGLLC/83SGLLC/83MBLLC/83JPLLC			425,045	0.75
Southern California Edison Co. (T&D)			408,043	0.72
Empire Residential Opportunity Fund LLC			374,040	0.66
Broden Country Corners LLC			357,038	0.63
GBC Properties LLC			345,703	0.61
Total	<u>\$ 65,672,025</u>	<u>16.90 %</u>	<u>\$ 10,456,106</u>	<u>18.45 %</u>

Source: The source of this information is the Maricopa County Assessor's records.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with the Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

Balsz Elementary School District No. 31
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 13,963,612	\$ 13,614,634	97.50 %	\$	\$ 13,614,634	97.50 %
2023	18,432,076	17,918,446	97.21	475,969	18,394,415	99.80
2022	13,445,467	13,004,576	96.72	433,849	13,438,425	99.95
2021	13,291,873	12,945,864	97.40	344,749	13,290,613	99.99
2020	13,700,847	13,340,913	97.37	358,432	13,699,345	99.99
2019	11,596,094	11,285,585	97.32	309,626	11,595,211	99.99
2018	11,738,074	11,487,487	97.87	247,861	11,735,348	99.98
2017	12,052,051	11,494,495	95.37	555,264	12,049,759	99.98
2016	11,832,562	11,643,183	98.40	188,936	11,832,119	100.00
2015	9,741,000	9,487,498	97.40	253,217	9,740,715	100.00

Source: The source of this information is the Maricopa County Treasurer's records.

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

Balsz Elementary School District No. 31
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2024	\$ 35,193,412	399,364	\$ 34,794,048	0.49 %	\$ 1,004	\$ 35,193,412	0.50 %	\$ 1,015	0.01 %	
2023	36,985,670	216,488	36,769,182	0.65	1,146	36,985,670	0.65	1,153	0.01	
2022	28,647,928	154,261	28,493,667	0.54	818	28,647,928	0.54	823	0.01	
2021	31,060,186	247,142	30,813,044	0.64	903	31,060,186	0.64	910	0.01	
2020	33,089,725	728,607	32,361,118	0.75	977	33,089,725	0.76	999	0.02	
2019	34,834,263	225,699	34,608,564	0.86	874	34,834,263	0.86	880	0.02	
2018	12,139,432	71,270	12,068,162	0.32	323	12,139,432	0.32	325	0.01	
2017	14,228,286	236,567	13,991,719	0.41	375	14,228,286	0.42	381	0.01	
2016	16,522,140	133,864	16,388,276	0.55	546	16,522,140	0.55	550	0.01	
2015	18,840,994	94,948	18,746,046	0.72	641	18,840,994	0.72	644	0.01	

Source: The source of this information is the District's financial records.

Note: The provisions of Governmental Accounting Standards Board (GASB) Statement No.87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2014-2021 information within this column relates to the transactions previously designated as capital leases.

Balsz Elementary School District No. 31
Direct and Overlapping Governmental Activities Debt
June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 135,585,000	0.26 %	\$ 352,521
City of Phoenix	647,900,000	0.84	5,442,360
Phoenix Union High School District No. 210	424,435,000	2.05	<u>8,700,918</u>
Subtotal, Overlapping Debt			<u>14,495,799</u>
Direct:			
Balsz Elementary School District No. 31			<u>35,193,412</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 49,689,211</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		8.96 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,422	
As a Percentage of Net Limited Assessed Valuation		12.69 %
As a Percentage of Gross Full Cash Value		0.69 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2023 is presented for the overlapping governments as this is the most recent available information.

Balsz Elementary School District No. 31
Legal Debt Margin Information
Last Ten Fiscal Years

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 704,580,600
Debt limit (10% of assessed value)	70,458,060
Debt applicable to limit	<u>35,196,698</u>
Legal debt margin	<u>\$ 35,261,362</u>

Total Legal Debt Margin Calculation for Fiscal Year 2024:

Net Full Cash assessed valuation	\$ 704,580,600
Debt limit (15% of assessed value)	105,687,090
Debt applicable to limit	<u>35,196,698</u>
Legal debt margin	<u>\$ 70,490,392</u>

Fiscal Year Ended June 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit	\$ 105,687,090	\$ 87,876,751	\$ 84,451,973	\$ 77,340,350	\$ 68,109,741
Total net debt applicable to limit	<u>35,196,698</u>	<u>36,875,925</u>	<u>28,427,588</u>	<u>30,770,656</u>	<u>32,581,668</u>
Legal debt margin	<u>\$ 70,490,392</u>	<u>\$ 51,000,826</u>	<u>\$ 56,024,385</u>	<u>\$ 46,569,694</u>	<u>\$ 35,528,073</u>
Total net debt applicable to the limit as a percentage of debt limit	33%	42%	34%	40%	48%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 61,977,230	\$ 58,722,995	\$ 51,190,065	\$ 45,369,573	\$ 40,462,738
Total net debt applicable to limit	<u>34,275,000</u>	<u>11,850,000</u>	<u>13,870,000</u>	<u>16,095,000</u>	<u>18,345,000</u>
Legal debt margin	<u>\$ 27,702,230</u>	<u>\$ 46,872,995</u>	<u>\$ 37,320,065</u>	<u>\$ 29,274,573</u>	<u>\$ 22,117,738</u>
Total net debt applicable to the limit as a percentage of debt limit	55%	20%	27%	35%	45%

Source: The source of this information is the District's financial records.

- Notes:**
- 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.
 - 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Balsz Elementary School District No. 31
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2023	4,665,020	\$ 257,536,678	\$ 65,481	3.4 %	34,672
2022	4,586,431	268,713,717	59,759	3.0	32,085
2021	4,507,419	249,677,860	56,255	4.5	34,830
2020	4,439,220	245,077,753	53,521	6.6	34,117
2019	4,367,835	210,370,180	47,694	3.6	33,132
2018	4,294,460	210,370,180	40,415	4.1	39,601
2017	4,221,684	196,286,191	45,573	4.2	37,360
2016	4,137,076	185,111,698	42,218	4.5	37,360
2015	4,076,438	184,784,917	42,092	5.5	30,036
2014	4,008,651	168,483,421	29,219	5.1	29,235

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

**Balsz Elementary School District No. 31
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	26,670	1.41 %	26,472	1.44 %
Amazon	23,260	1.23		
State of Arizona	22,350	1.18	49,800	2.71
Walmart	17,450	0.92	30,634	1.67
Frys Food Stores	15,110	0.80	12,510	0.68
Intel Corporation	12,810	0.68	11,760	0.64
Maricopa County	11,580	0.61	12,698	0.69
Arizona State University	11,300	0.60	11,185	0.61
Wells Fargo	10,420	0.55	13,287	0.72
United States Department of the Air Force	9,310	0.49		
City of Phoenix			15,100	0.82
Bank of America			9,809	0.53
Total	<u>160,260</u>	<u>8.47 %</u>	<u>193,255</u>	<u>10.51 %</u>
Total employment	<u>1,893,180</u>		<u>1,836,600</u>	

Source: The source of this information is The Business Journal Book of Lists.

Note: The information presented above is for the Greater Phoenix Area.

Balsz Elementary School District No. 31
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Supervisory					
Superintendent	1	1	1		
Assistant superintendents			1		
Consultants/supervisors of instruction			1	2	2
Principals	5	5	5	5	4
Assistant principals	6	6	2	3	1
Total supervisory	<u>12</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>7</u>
Instruction					
Teachers	116	163	118	130	130
Aides	36	46	25	37	34
Total instruction	<u>152</u>	<u>209</u>	<u>143</u>	<u>167</u>	<u>164</u>
Student Services					
Nurses	6	6			
Counselors/Advisors	11	12			
Librarians	4	4	2	1	1
Technicians	7	8	8	8	10
Total student services	<u>28</u>	<u>30</u>	<u>10</u>	<u>9</u>	<u>11</u>
Support and Administration					
Service workers	42	64	62	43	47
Unskilled laborers	26	38	21	11	14
Total support and administration	<u>68</u>	<u>102</u>	<u>83</u>	<u>54</u>	<u>61</u>
Total	<u><u>260</u></u>	<u><u>353</u></u>	<u><u>246</u></u>	<u><u>240</u></u>	<u><u>243</u></u>

(Continued)

**Balsz Elementary School District No. 31
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Consultants/supervisors of instruction	3	3	1	1	1
Principals	4	4	4	4	4
Assistant principals	1	1	2	2	2
Total supervisory	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>
Instruction					
Teachers	128	130	131	148	148
Aides	30	30	30	38	38
Total instruction	<u>158</u>	<u>160</u>	<u>161</u>	<u>186</u>	<u>186</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians	4	4	4	4	4
Technicians	14	14	15	18	18
Total student services	<u>18</u>	<u>18</u>	<u>19</u>	<u>22</u>	<u>22</u>
Support and Administration					
Service workers	62	60	64	54	54
Unskilled laborers	16	16	12	13	13
Total support and administration	<u>78</u>	<u>76</u>	<u>76</u>	<u>67</u>	<u>67</u>
Total	<u><u>262</u></u>	<u><u>262</u></u>	<u><u>263</u></u>	<u><u>282</u></u>	<u><u>282</u></u>

Source: The source of this information is District personnel records.

(Concluded)

Balsz Elementary School District No. 31
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2024	1,959	\$ 33,557,397	\$ 17,130	0.57 %	\$ 42,696,183	\$ 21,795	6.98 %	152	12.9	98.3 %
2023	2,035	34,662,710	17,033	20.49	41,457,056	20,372	19.94	209	9.7	98.3
2022	2,094	29,601,672	14,136	22.05	35,566,236	16,985	11.96	143	14.6	98.3
2021	2,076	24,044,784	11,582	8.13	31,494,630	15,171	18.70	167	12.4	98.3
2020	2,163	23,169,103	10,712	4.11	27,645,086	12,781	8.09	164	13.2	98.3
2019	2,176	22,387,173	10,288	(2.58)	25,730,151	11,825	3.17	158	13.8	92.0
2018	2,164	22,852,245	10,560	12.55	24,803,233	11,462	(0.03)	160	13.5	93.0
2017	2,309	21,664,539	9,383	2.19	26,473,766	11,465	9.66	161	14.3	93.5
2016	2,334	21,429,591	9,181	6.86	24,404,157	10,456	2.42	186	12.5	91.2
2015	2,429	20,870,488	8,592	8.09	24,796,589	10,209	8.80	186	13.1	92.0

Source: The source of this information is the District's financial records.

Note: Operating expenditures are total expenditures less debt service and capital outlay.

Note: Operating expenditures for the year ended June 30, 2023 was restated due to a reclassification of expenditures.

Balsz Elementary School District No. 31
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	4	5	5	5	5	5	5	5	5	5
Square feet	434,738	434,738	434,738	434,738	440,060	440,060	440,060	440,060	440,060	440,060
Capacity	5,763	5,763	4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014
Enrollment	2,141	2,121	2,356	2,286	2,407	2,407	2,407	2,429	2,582	2,582
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	14	13	13	13	13	13	13	13	18	18
<u>Athletics</u>										
Baseball/softball	10	10	6	6	6	6	6	6	6	6
Playgrounds	10	10	6	6	6	6	6	6	6	6

Source: The source of this information is the District's facilities records.

(This page intentionally left blank)